



LODI CITY COUNCIL

Carnegie Forum
305 West Pine Street, Lodi

"SHIRTSLEEVE" SESSION

Date: January 23, 2018

Time: 7:00 a.m.

For information regarding this Agenda please contact:

Jennifer M. Ferraiolo

City Clerk

Telephone: (209) 333-6702

Informal Informational Meeting

A. Roll Call by City Clerk

B. Topic(s)

B-1 First Quarter Fiscal Year 2017/18 Water, Wastewater, and Electric Utility Department
Financial Reports (CM)

C. Comments by Public on Non-Agenda Items

D. Adjournment

Pursuant to Section 54954.2(a) of the Government Code of the State of California, this agenda was posted at least 72 hours in advance of the scheduled meeting at a public place freely accessible to the public 24 hours a day.

Jennifer M. Ferraiolo
City Clerk

All staff reports or other written documentation relating to each item of business referred to on the agenda are on file in the Office of the City Clerk, located at 221 W. Pine Street, Lodi, and are available for public inspection. If requested, the agenda shall be made available in appropriate alternative formats to persons with a disability, as required by Section 202 of the Americans with Disabilities Act of 1990 (42 U.S.C. Sec. 12132), and the federal rules and regulations adopted in implementation thereof. To make a request for disability-related modification or accommodation contact the City Clerk's Office as soon as possible and at least 72 hours prior to the meeting date. Language interpreter requests must be received at least 72 hours in advance of the meeting to help ensure availability. Contact Jennifer M. Ferraiolo at (209) 333-6702. Solicitudes de interpretación de idiomas deben ser recibidas por lo menos con 72 horas de anticipación a la reunión para ayudar a asegurar la disponibilidad. Llame a Jennifer M. Ferraiolo (209) 333-6702.



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CITY OF LODI COUNCIL COMMUNICATION

AGENDA TITLE: First Quarter Fiscal Year 2017/18 Water, Wastewater and Electric Utility
Department Financial Reports

MEETING DATE: January 23, 2018

PREPARED BY: Deputy City Manager

RECOMMENDED ACTION: Receive utility financial reports for the first quarter of Fiscal Year 2017/18.

BACKGROUND INFORMATION: In accordance with the Lodi Municipal Code, quarterly financial reports are to be prepared for the Water, Wastewater, and Electric Utilities. Highlights of the operations and financial performance of each utility will be presented at the meeting of January 23, 2018.

FISCAL IMPACT: None directly related to the preparation of the report. However, the presentation is intended to keep the Council apprised of the financial conditions of the major municipal utilities.

FUNDING AVAILABLE: Not applicable.

Andrew Keys
Deputy City Manager

AK/lst

APPROVED: _____
Stephen Schwabauer, City Manager



Public Works Department Water/Wastewater

FY 18 Quarterly Update (Ending September 30, 2017)

City Council Shirtsleeve Session
January 23, 2018



Wastewater Fund

Cash Flow Summary

(Ending September 30, 2017)

	Budget	Actuals	% of Budget
Revenue			
Sales	15,108,850	3,551,522	24%
Development Impact Mitigation Fees (wastewater & storm)	1,266,190	83,353	7%
Other (interest, septic, misc.)	2,575,140	56,125	2%
Total Revenues	18,950,180	3,691,000	19%
Expenses			
Operating	7,279,270	1,812,233	25%
Capital	6,346,226	64,682	1%
Debt Service	3,465,000	2,108,122	61%
Cost of Services Payment To General Fund	1,102,490	275,623	25%
Total Expenses	18,192,986	4,260,660	23%
Beginning Cash (Operations Only)		12,967,860	
Ending Cash (Operations Only)		13,445,628	
Days Cash (Excluding Capital)		288	
% of Target – 90 Days Cash on Hand		320%	



Wastewater Operating Results

(Ending September 30, 2017)

	Budget	Actuals	% of Budget
Personnel	\$ 3,577,482	\$ 997,332	28%
Supplies, Materials, Services	\$ 2,524,538	\$ 390,766	15%
Equipment, Land, Structures	\$ 255,000	\$ 55,107	22%
Other Payments	\$ 233,660	\$ 192,655	82%
Utilities	\$ 686,090	\$ 176,373	26%
Work for Others	\$ 2,500	\$ -	0%
Total Operating Expenses	\$ 7,279,270	\$ 1,812,233	25%

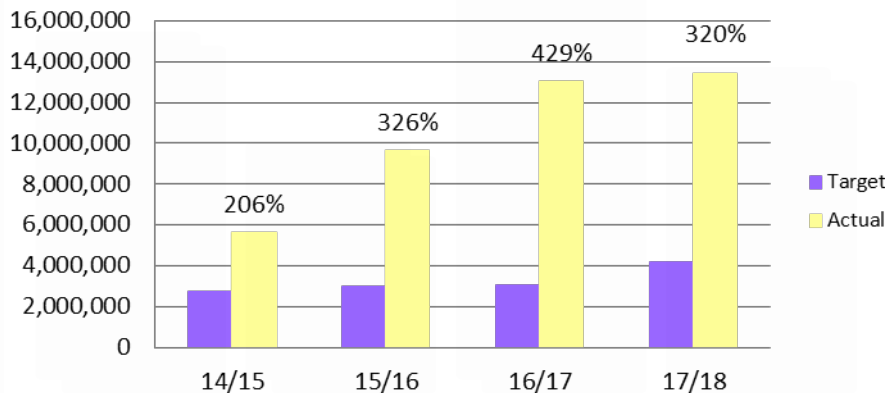


Wastewater Funds Cash Balances

(Ending September 30, 2017)

Operating (530)	13,445,628
Utility Capital / Infrastructure Replacement (531)	467,499
Capital Reserve (532) (Fund used to pay White Slough COP Debt Service)	(1,650,000)
Wastewater IMF (533)	857,816
Rate Stabilization Reserve (534)	500,000
Storm Drain IMF (535)	925,860
Total	14,546,803

Actual Reserves vs. Target



*Amounts above
reserve target are
held for scheduled
capital maintenance*



Wastewater Planned Capital Projects

	FY 17-18	FY 18-19	FY 19-20	FY 20-21
Villa Fiore Reimbursement		930,000		
MSC Security Improvements		25,000		
Misc. System Relocations		35,000	35,000	35,000
Misc. Wastewater Taps		40,000	40,000	40,000
Collection System Capacity Enhancement Projects		20,000	208,000	
Ham & Century Rehabilitation	250,000	2,750,000		
Vinewood Storm Water Pump Rehab		200,000		
Vehicles /Equipment	450,000	150,000	156,000	162,000
Upgrade Blowers		750,000		
Irrigation Improvements	1,200,000		700,000	
Digester #4 Cleaning		220,000		
Field #5 Catwalk Repair	40,000	80,000		
Lagoon Cleaning		300,000		
Pump & Equipment Upgrades	175,000	175,000		
Corrosion Repairs	136,000			
Electrical/Screen/SCADA Design	660,000			
Electrical Upgrades/SCADA Construction		1,200,000	7,305,000	3,951,000
White Slough Recycled Water Storage	300,000	5,001,890		
Fence Repairs/Upgrades		25,000		
Miscellaneous Future Projects		100,000	104,000	108,000
Totals	\$3,211,000	\$12,001,890	\$8,548,000	\$4,296,000



Water Fund

Cash Flow Summary

(Ending September 30, 2017)

	Budget	Actuals	% of Budget
Revenue			
Sales	13,136,300	3,942,287	30%
Development Impact Mitigation Fees	520,690	53,325	10%
Other (interest, tap fees, water meters, misc.)	1,065,530	(58,263)	(5)%
Total Revenues	14,722,520	3,937,349	27%
Expenses			
Operating	6,826,960	1,973,769	29%
Capital	11,185,415	287,849	3%
Debt Service	2,967,660	(168,138)	(6)%
Cost of Services Payment To General Fund	814,490	203,623	25%
Total Expenses	21,794,525	2,297,103	11%
Beginning Cash (Operations Only)		3,597,764	
Ending Cash (Operations Only)		4,098,444	
Days Cash (Excluding Capital)		169	
% of Target – 90 Days Cash on Hand		188%	



Water Operating Results

(Ending September 30, 2017)

	Budget	Actuals	% of Budget
Personnel	\$ 2,865,815	\$ 926,939	32%
Supplies, Materials, Services	\$ 1,644,295	\$ 163,682	10%
Equipment, Land, Structures	\$ 110,000	\$ -	0%
Other Payments	\$ 1,543,100	\$ 709,503	46%
Utilities	\$ 563,750	\$ 173,645	31%
Work for Others	\$ 100,000	\$ -	0%
Total Operating Expenses	\$ 6,826,960	\$ 1,973,769	29%

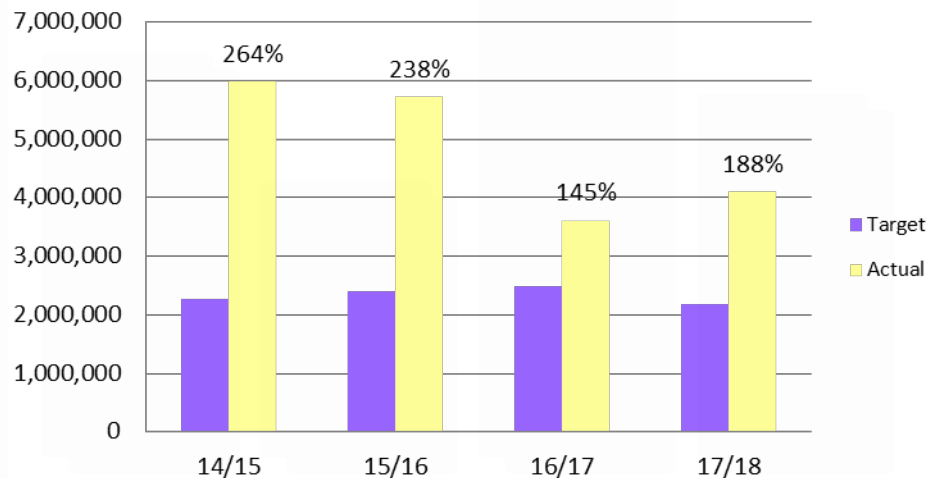


Water Funds Cash Balances

(Ending September 30, 2017)

Operating (560)	4,098,444
Utility Capital / Infrastructure Replacement (561)	0
IMF (562)	758,688
PCE/TCE Settlements	9,682,492
PCE/TCE Rates (565)	4,070,297
Total	18,609,921

Actual Reserves vs. Target



*Amounts above
reserve target are
held for scheduled
capital maintenance*



Water Planned Capital Projects

	FY 17-18	FY 18-19	FY 19-20	FY 20-21
Water Meter Program	3,215,000	3,630,000	2,421,000	
Water Taps		75,000	75,000	75,000
Misc. Water Mains		50,000	50,000	50,000
GAC Replacement		300,000	300,000	
Meter Shop Design	25,000	200,000		
Southwest Gateway Water Tank			2,000,000	
Water Plant Generator		300,000		
MSC Security Improvements		25,000		
Well 14 Pump Rehab		166,000		
Well 15 Pump Rehab		175,000		
Well 16 Pump Rehab			206,000	
Well 17 Pump Rehab			191,000	
Well 21 Rehab				212,000
Well 23 Rehab				196,000
Well 25 Rehab				212,000
Vehicles/Equipment		40,000	42,000	42,000
Totals	\$3,405,000	\$4,961,000	\$5,284,000	\$787,000



Water / Wastewater Utility Activities

Operational

- Water Distribution
- Water Production
- Collection System
- Wastewater Treatment

Regulatory

- SSO's
- Discharge Violations
- Monitoring and Reporting



Electric Utility Department

FY 18 Quarterly Update **(Ending September 30, 2017)**

City Council Shirtsleeve Session
January 23, 2018



Electric Utility Fund Cash Flow Summary (Ending September 30, 2017)

	Budget	Actuals	% of Budget
Revenue			
Sales Revenues	69,828,170	22,414,789	32%
Development Impact Fees	143,470	28,665	20%
Other Revenues (interest, misc)	4,024,990	1,141,547	28%
Total Revenues	73,996,630	23,585,001	32%
Expenses			
Purchase Power	41,822,160	10,210,642	24%
Non Power	14,557,637	3,059,862	21%
Capital Projects	3,923,135	257,789	7%
Debt Service	5,538,340	4,110	0%
Cost of Service/Capital Xfer	2,388,490	597,122	25%
In-lieu Transfer to General Fund	7,158,850	1,789,712	25%
Total Expenses	75,388,612	15,919,237	21%

Beginning Cash Balance (6/30/17)		22,713,089
Ending Cash Balance (9/30/17)		26,658,374
Reserve Policy Target		23,301,000
% of Target		114%



Electric Utility Funds Cash Balances

(Ending September 30, 2017)

Operating Funds*	\$ 15,845,195
Utility Outlay Reserve Fund	\$ 562,500
Public Benefits Fund	\$ 1,639,564
Impact Fee Fund	\$ 1,028,090
Solar Surcharge Fund	\$ 374,706
Greenhouse Gas Fund	\$ 7,208,319
Total	\$ 26,658,374

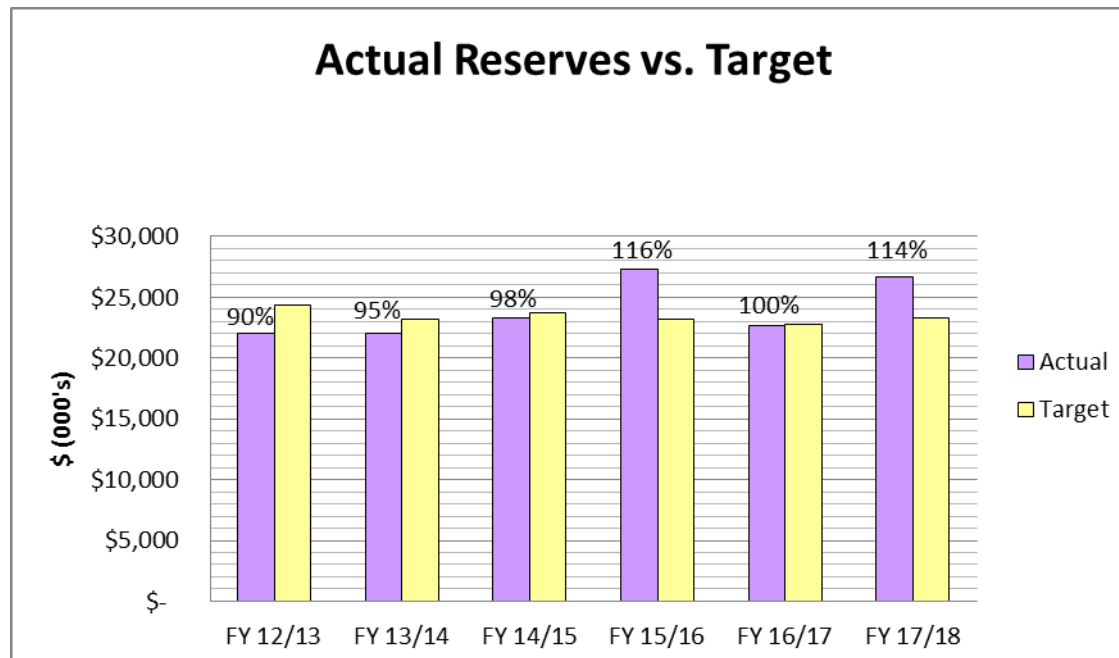
*Includes funds held locally and at NCPA



Electric Utility Reserve Policy (Ending September 30, 2017)

Purpose	Target	Actual*
Operating Reserves	\$ 22,301,000	\$ 26,095,874
Capital Reserve	\$ 1,000,000	\$ 562,500
Total Target	\$ 23,301,000	\$ 26,658,374

*Includes cash held locally and at NCPA



Cash balances support City Council approved reserve requirements and provide funds for pay as you go Capital Improvement Projects.



Capital Improvement Project 5-Year Spending Plan

Project	FY 17-18*	FY 18-19	FY 19-20	FY 20-21	FY 21-22
Distribution Capacity Program	\$700,000	\$250,000	\$250,000	\$250,000	\$250,000
Underground Maintenance	\$1,100,000	\$550,000	\$700,000	\$700,000	\$700,000
Streetlight Maintenance / Repair	\$180,000	\$90,000	\$90,000	\$90,000	\$90,000
LED Streetlight Improvements	\$90,000	\$91,000	\$91,000	\$91,000	\$91,000
230 kV Interconnection Project	\$60,000	\$0	\$0	\$0	\$0
Overhead Maintenance*	\$542,623	\$350,000	\$275,000	\$275,000	\$275,000
Substation Maint / Improvements	\$200,000	\$65,000	\$200,000	\$500,000	\$1,350,000
Building & Security Improvements*	\$497,492	\$100,000	\$250,000	\$250,000	\$0
Meter Data Management System	\$300,000	\$0	\$850,000	\$850,000	\$0
Vehicles & Equipment*	\$253,020	\$35,000	\$350,000	\$250,000	\$315,000
Total Projects	\$3,923,135	\$1,531,000	\$3,056,000	\$3,256,000	\$3,071,000

*Includes previous year rollover.



Power Sales

(Ending September 30, 2017)

Power Sales (kWh)		
Customer Class	Budget	Actual
Residential	151,255,540	59,236,397
Small Commercial	160,043,844	47,502,675
Large Commercial/Small Industrial	49,188,321	12,709,920
Industrial	71,906,433	20,794,925
Total	432,394,138	140,243,917

Revenue (\$)			
Customer Class	Budget	Actual	Average Rate
Residential	\$ 27,937,783	\$ 10,067,399	\$ 0.1700
Small Commercial	\$ 27,302,858	\$ 7,997,704	\$ 0.1684
Large Commercial/Small Industrial	\$ 6,939,313	\$ 1,929,197	\$ 0.1518
Industrial	\$ 7,648,216	\$ 2,420,489	\$ 0.1164
Total	\$ 69,828,170	\$ 22,414,789	\$ 0.1598



ECA Revenue

(Ending September 30, 2017)

Customer Class	Total (\$)
Residential	(\$413,656)
Small Commercial	(\$334,532)
Large Commercial / Small Industrial	(\$89,537)
Industrial	(\$18,931)
Total Revenue	(\$856,656)



Electric Utility Fund Operating Results

(Ending September 30, 2017)

	FY18 Budget	FY18 Actual	% of Budget
Personnel	\$ 8,906,935	\$ 2,471,286	28%
Supplies, Materials, Services	\$ 3,836,042	\$ 347,880	9%
Other Payments	\$ 1,730,760	\$ 230,665	13%
Utilities	\$ 83,900	\$ 10,031	12%
Total Operating Expenses	\$ 14,557,637	\$ 3,059,862	21%



Power Supply Costs

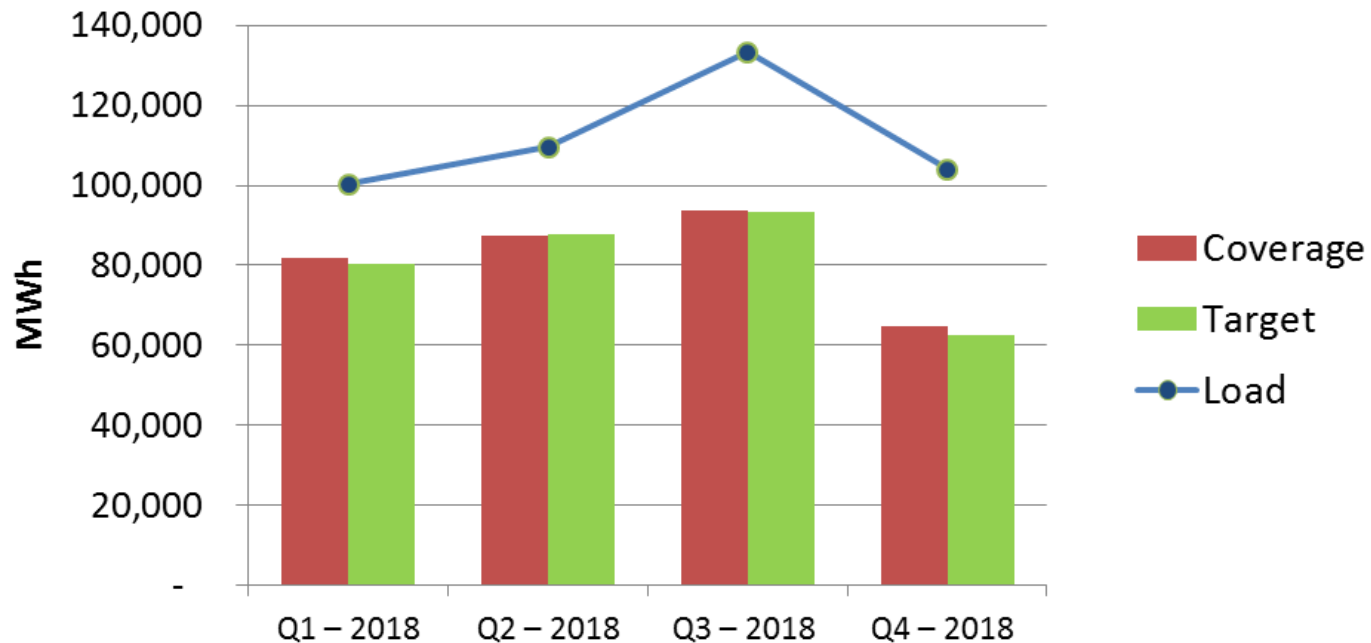
(Ending September 30, 2017)

	Budgeted	Year to Date	% of Budget
Generation	\$ 29,919,900	\$ 6,963,981	23%
Transmission	\$ 10,503,530	\$ 2,882,446	27%
Management Services	\$ 1,398,730	\$ 364,215	26%
Total Power Supply Costs	\$ 41,822,160	\$ 10,210,642	24%



Load Coverage

	MWh Load	ROC Matrix Target	Load Coverage (Including Purchases)
Q1 – 2018	100,235	80%	81%
Q2 – 2018	109,621	80%	80%
Q3 – 2018	133,331	70%	70%
Q4 – 2018	104,073	60%	62%





City Council Strategic Areas of Focus

- Customer
- Technology
- Financial
- Reliability
- Workforce